GOVERNMENT OF INDIA
FINANCE AND COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:2621
ANSWERED ON:07.03.2003
IFCI DEFAULTERS
KINJARAPU YERRANNAIDU

Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) lhe number of notices served by the Industrial Finance Corporation ol India to the defaulters during the last two years;

(b) the amount involved in cases of defaulters to whom notices have been served during the above period;and

(c) the action proposed to be taken by the IFCI, if the defaulters do not repay the amount after the date of notice expires?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL):

(a) and (b) IFCI Ltd. has reported that they have served notices on 41 companies involvingan aggregate outstanding of Rs. 2329.62 crores under the Securitisation and Reconstructionof Financial Assets and Enforcement of Security Interest Act, 2002 upto 31st January 2003. IFCI have also issued consent letters to the creditors in 34 cases with aggregate outstandingdues of Rs. 3094.96 crores.

(c) IFCI has further reported that notices issued by IFCI Ltd. under the Act has broughtpressure on someof the otherwise indifferent borrowers to approach IFCI Ltd. with proposalsfor resolution of the impaired/stressed assets through formulation of acceptable Restructuring Packages or Negotiated Settlements of Dues. In cases where there has been no response fromthe borrowers, appropriate strategies are being formulated on case to case basis by IFCI,keeping in view the relevant provisions of the Act as also the recent Supreme Court decision in case of M/s Mardia Chemicals Ltd.